



CMS REGISTERS PBT OF RM202 MILLION FOR 9M2021

Wednesday, 24 November 2021

Kuching (Sarawak), Wednesday, 24 November 2021 – Cahya Mata Sarawak Berhad (“**CMS**” or “**the Group**”) announced today that it closed nine (9) months ended 30 September 2021 (“**9M2021**”) with profit before tax (“**PBT**”) of RM202.11 million, an increase by 169% as compared to RM75.24 million reported in the same period of the preceding year (“**9M2020**”). The increased profits were largely attributable to gains on disposal of Kenanga Investment Bank Berhad shares amounting to RM28.52 million, gain on disposal of land of RM12.74 million and improvements in associates' and joint ventures' performances by RM78.32 million.

The lockdown in mid-2021 has impacted the Group's operations but with the resumption of economic activities post MCO 3.0, management is making every effort to execute catch-up strategies across all business divisions. The initial opening of the Malaysian economy remains challenging and at the same time, the Group is facing increased operational pressures due to supply and logistics constraints. Moreover, the performance of the coming quarters will depend on the speed of the progress of Malaysia's National Recovery Plan (NRP).

The Group has achieved the following results over the 9 months ended 30 September 2021:

The **Cement Division's** 9M2021 revenue improved by 5% to RM353.46 million as compared to RM336.74 million in 9M2020. PBT increased by 44% to RM61.65 million as compared to RM42.94 million from the preceding year. The increase in PBT is reflective of the lower costs of maintenance due to deferred works programme caused by the lockdown. The global interruption to shipping and



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logistics of raw materials continues to be challenging for the Division. Proactive measures have been undertaken to manage this issue and towards finding long-term solutions to manage this risk.

The **Trading Division** reported PBT of RM4.16 million, an increase of 68% in comparison to 9M2020's PBT of RM2.47 million. The higher PBT was due to higher sales in water treatment chemicals, pipes and fittings to JKR.

The **Road Maintenance Division** reported lower revenue of RM80.83 million as compared to RM105.47 million in the corresponding period of 9M2020 due to slower progress from instructed works and road rehabilitation works. PBT contracted by 46% to RM7.26 million from RM13.41 million due to drop in gross margin and higher administrative expenses.

The **Property Development Division's** revenue increased by 30% to RM68.96 million mainly due to higher sales in properties and improved revenue from lodges and hotel businesses. As a result, the 9M2021 PBT attributable to this Division increased to RM15.88 million from RM6.92 million the year before.

Strategic Investments share of profits from its associates increased to RM99.13 million in 9M2021, 122% higher compared to the RM44.57 million in 9M2020.

In 9M2021, the share of results of joint ventures were RM22.22 million, contributed mainly by SEDC Resources Sdn Bhd ("**SEDCR**") Group.



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The Malaysian Phosphate Additives Sarawak (“**MPAS**”) project has not been progressing as scheduled due to technical and commissioning issues, the extent of which is being assessed and solutions being actively worked at. The Group continues to evaluate all options on the future direction of the MPAS project.

With the economic re-opening, the Group is operating strict standard operating procedures to safeguard the health of its people being the top priority. With this, the business divisions are not yet operating at optimal levels in 3Q2021 and this is expected to further improve in the coming months. The management is making every effort to bolster competitive edge and identify new business opportunities to achieve sustainable long-term growth.

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About Cahya Mata Sarawak Berhad

Cahaya Mata Sarawak Berhad (CMS) is a leading corporation listed on the Main Market of the Malaysian stock exchange, Bursa Malaysia, and is a major private-sector player in Sarawak, the largest State in Malaysia. CMS has evolved from a single product manufacturer of cement (beginning in 1974) to become a corporation focused on its Vision 'To Become the Pride of Sarawak & Beyond'. Today, CMS' portfolio spans over 35 companies involved in the manufacturing and trading of cement and construction materials; construction; road maintenance; property and infrastructure development; financial services; education; steel and pipe fabrication plus installation; ferro silicon and manganese smelting; and telecommunication infrastructure.

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